

Introduced by Senator Soto

February 23, 2001

An act to add and repeal Section 6367.5 of the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

LEGISLATIVE COUNSEL'S DIGEST

SB 1074, as amended, Soto. Sales and use tax exemption: electricity generating property.

The Sales and Use Tax Law imposes a tax on the gross receipts from the sale in this state of, or the storage, use, or other consumption in this state of, tangible personal property. That law provides exemptions from that tax with respect to various types of property.

This bill would, until January 1, 2003, additionally exempt microturbines, fuel cells, ~~and photovoltaic cells or any other solar energy cell or panel~~ *photovoltaic cells or any other solar energy cells or panels, solar thermal water heating systems, wind energy equipment, and electrical generators operated by renewable biomass fuel.*

Counties and cities are authorized to impose local sales and use taxes in conformity with state sales and use taxes. Exemptions from state sales and use taxes enacted by the Legislature are incorporated into the local taxes.

Section 2230 of the Revenue and Taxation Code provides that the state will reimburse counties and cities for revenue losses caused by the enactment of sales and use tax exemptions.

This bill would provide that, notwithstanding Section 2230 of the Revenue and Taxation Code, no appropriation is made and the state

shall not reimburse local agencies for sales and use tax revenues lost by them pursuant to this bill.

This bill would take effect immediately as a tax levy.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: yes.

The people of the State of California do enact as follows:

1 SECTION 1. Section 6367.5 is added to the Revenue and
2 Taxation Code, to read:

3 ~~6367.5. (a) Until January 1, 2003, there are exempted from~~
4 ~~the taxes imposed by this part the gross receipts from the sale in~~
5 ~~this state of, and the storage, use, or other consumption in this state~~
6 ~~of, any of the following:~~

7 ~~(1) Microturbines.~~

8 ~~(2) Fuel cells.~~

9 ~~(3) Photovoltaic cells or any other solar energy cell or panel.~~

10 6367.5. (a) *Until January 1, 2003, there are exempted from*
11 *the taxes imposed by this part the gross receipts from the sale in this*
12 *state of, and the storage, use, or other consumption in this state of,*
13 *any of the following:*

14 (1) *Microturbines.*

15 (2) *Fuel cells.*

16 (3) *Photovoltaic cells or any other solar energy cells or panels.*

17 (4) *Solar thermal water heating systems.*

18 (5) *Wind energy equipment.*

19 (6) *Electrical generators operating on renewable biomass fuel.*

20 (b) This section shall remain in effect only until January 1,
21 2003, and as of that date is repealed, unless a later enacted statute,
22 that is enacted before January 1, 2003, deletes or extends that date.

23 SEC. 2. Notwithstanding Section 2230 of the Revenue and
24 Taxation Code, no appropriation is made by this act and the state
25 shall not reimburse any local agency for any sales and use tax
26 revenues lost by it under this act.

27 SEC. 3. This act provides for a tax levy within the meaning of
28 Article IV of the Constitution and shall go into immediate effect.